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Poultry and Products

Annual

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Approved by:

Suzanne Heinen

U.S. Embassy

Prepared by:

Douglas Ovalle

Report Highlights:

Guatemala's meat production growth rate in 1999 was 5 percent. In 2000, the growth rate is expected to be about the same. Poultry parts imports from the U.S. have increased from last year. In 1998, it was estimated that around 11,000 MT of poultry parts were imported. In 1999, imports increased to an estimate of 14,000 MT.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Guatemala [GT1], GT

Table of Contents

Table of contents 1

Executive Summary 2

PSD Table 3

Production 3

Consumption 4

Price Table 5

Import Trade Matrix 6

Trade 6

Policy 6

Executive Summary

According to the Guatemalan National Poultry Producer's Association (ANAVI), the growth rate in meat production in the poultry industry in 1999 was 5 percent. In 2000, the growth rate is expected to be about the same. They estimate 7,000 MT of poultry were imported illegally in 1999, in addition to the 7,000 MT of legal imports of U.S. poultry. ANAVI officials expect that for the year 2000 illegal imports will be steady and forecast that the industry's growth rate will increase slightly to 5 percent. So far, U.S. imports are not a real threat to the Guatemalan poultry industry, but if local production costs continue to increase, U.S. imports could eventually affect the Guatemalan poultry industry.

Poultry per capita consumption is expected to continue rising in 2000. Although poultry is part of the regular diet of most Guatemalans, increases in beef prices have pushed consumers to shift more from beef consumption to poultry. In addition, consumers now perceive beef as a luxury item and pork is still fighting the image of an unsanitary food.

Poultry imports into Guatemala are subject to a tariff rate quota (TRQ) of 7,000 MT at a tariff of 15 percent within the quota and 45 percent outside the quota. The U.S. is the largest poultry exporter to Guatemala. In addition, the U.S. is a major supplier of feed ingredients for the poultry industry in Guatemala. Major imports include yellow corn, soybean meal and tallow. A (TRQ) of 401,820 MT for yellow corn has been established with a recent decrease on the tariff of 0 percent within the quota and a tariff of 35 percent outside the quota.

PSD Table						
Country	Guatemala					
Commodity	Poultry, Meat, Total				(1000 MT)(MIL HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	129	129	137	137	0	144
Whole, Imports	0	0	0	0	0	0
Parts, Imports	12	12	12	14	0	14
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	12	12	12	14	0	14
TOTAL SUPPLY	141	141	149	151	0	158
Whole, Exports	0	0	0	0	0	0
Parts, Exports	0	0	0	0	0	0
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Human Consumption	141	141	149	151	0	158
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	141	141	149	151	0	158
TOTAL Use	141	141	149	151	0	158
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	141	141	149	151	0	158
Calendar Yr. Imp. from U.S.	12	12	12	14	0	14

Production

Almost all of Guatemala's poultry meat production is produced from chicken. For purposes of this report, the term poultry refers to chicken meat. Data in the report are based upon information from the Guatemalan National Poultry Producers's Association (ANAVI).

The poultry industry in Guatemala is based in three different groups:

Campero, PAF (Pesca, Areca y Frisa), and small producers. The Campero group is a large group that owns and operates poultry farms, feed mills, processing plants, and Pollo Campero which is the largest restaurant chain in Central America. The PAF also operates poultry farms and processing plants. The Campero group and the PAF

group control around 75 percent of Guatemala's total poultry production, with the remaining 25 percent controlled by small producers. However, it is small producers that have been growing fastest in the past few years. Production of poultry meat has been growing about five percent per year, ANAVI officials believe growth could have been somewhat higher; however, imports, especially from the U.S., have kept growth in check.

There are 10 registered slaughtering facilities in Guatemala and around 300 broiler producers throughout the country. In 2000 the average live weight is between 4.0 and 4.5 lbs, while the average weight to market is 3.5 lbs. The average grow-out period for broilers is 40 days. There are around 190 egg producers in Guatemala. In 1999, 5.8 million layers were in production and 3.3 million birds were being raised for laying purposes. Production in 1999 was 1.6 billion eggs. Per capita consumption in 1999 was 144 eggs per year and the average production per bird in 1999 was 276 eggs.

The level of technology in Guatemala's poultry industry is relatively high in the larger poultry operations. The two largest producing groups are vertically integrated and use the latest technology to increase production yields, improve food quality and control diseases. Almost all the poultry industry's feed is manufactured domestically from yellow corn, soybean meal and tallow. In 2000 the industry is expected to consume over 4250,000 MT of yellow corn, a sum that is forecast to increase in the year 2001. The smaller producers receive direct or indirect support from ANAVI. ANAVI organizes seminars, provide technical assistance and represent the industry in lobbying for changes in Government policies.

Consumption

According to ANAVI officials poultry consumption has grown in the past fifteen years at a rate of around five percent annually, except for 1992 when there was an unexpected increase of twenty percent. The increase in poultry consumption was mainly due to an increase in beef prices which led to a substitution of beef for poultry. In 2000 and 2001 it is expected that poultry consumption will follow the trend of annual increases of five percent.

ANAVI reports that approximately 90 percent of all poultry consumed in Guatemala is purchased as whole birds, most of which are bought fresh from open markets and small stores. Approximately 10 percent of total poultry consumed in the country is bought from large supermarkets. There has been a slight increase in preference for U.S. frozen chicken parts due to lower retail prices. However, Guatemalans still prefer fresh poultry versus frozen parts. In 1999, almost all imports were frozen poultry parts.

Guatemala's local wholesale poultry prices in 2000 remain the same as last year, but in dollar terms decreased. Retail prices have increased slightly, in spite of steady wholesale prices. Poultry meat is historically the meat of consumer preference due to relatively high beef prices.

Price Table

	Retail		
	1998	1999 (Per pound)	2000
Poultry	\$1.12	\$1.12	\$1.12
Pork	\$2.55	\$2.35	\$2.35
Beef	\$2.40	\$2.45	\$2.45

	Wholesale		
	1998	1999 (Per pound)	2000
Poultry	\$0.95	\$0.82	\$0.82

Note:

Exchange rate used: 1998: \$1.00 = Q5.95

1999: \$1.00 = Q7.35

2000: \$1.00 = Q7.71

Import Trade Matrix			
Country	Guatemala		
Commodity	Poultry, Meat, Total		
Time period	Jan-Dec	Units:	Metric Tons
Imports for:	1999		2000
U.S.	12,200	U.S.	14,000
Others		Others	
Total for Others	0		0
Others not Listed			
Grand Total	12200		14000

Export Trade Matrix			
Country	Guatemala		
Commodity	Poultry, Meat, Total		
Time period	Jan-Dec	Units:	Metric Tons
Exports for:	1999		2000
U.S.		U.S.	
Others		Others	
Honduras	700		770
Total for Others	700		0
Others not Listed			
Grand Total	700		0

Trade

Guatemala continues to operate a tariff rate quota (TRQ) for poultry parts. The TRQ in 2000 continues at 7,000 MT as it was in 1999. According to ANAVI officials, illegal imports of poultry from the U.S. have increased in the last few years. In 1999, it was estimated that around 7,000 MT of poultry came into the country illegally. ANAVI also reported illegal imports of egg products from Mexico. It is estimated that around 1,000 boxes enter the country illegally each day, depending on prices in Mexico as well as in Guatemala.

The GSM-102 program continues to be a source of funds to the Guatemalan poultry industry for purchases of commodities necessary for feed manufacturing. In 1999, Guatemalan feed manufacturers actively used the GSM-102 program to purchase yellow corn and they are starting to use the program to purchase soybean meal, as well. In addition, poultry importers are starting to use the program to import poultry parts. In 2000, so far, around 3,000 MT of poultry parts have been imported into the country through the program.

Policy

Under the WTO agreement the GOG agreed to a TRQ for poultry that would be eliminated over a ten year transition period by the year 2005. In 2000, the quota is set at 7,000 MT and will continue at the same quota until the TRQ phases-out in the year 2005. The tariff within the quota is set at 15 percent, while the tariff outside the quota is set at 45 percent. MDM poultry enters outside the quota at a tariff of 5 percent.

The GOG is aware of illegal egg imports from Mexico. With the help of ANAVI through border inspections of egg imports, they are trying to eliminate the illegal trade in eggs. So far, the measure has reduced illegal imports but there still is a high amount of eggs that come into the country illegally.